



**Nicole Galloway, CPA**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of City of St. Louis - Office of License Collector

Accounting Controls and Procedures	Office of License Collector (OLC) personnel failed to sufficiently reconcile OLC bank accounts, have not adequately segregated accounting duties, and do not perform a satisfactory independent supervisory review of all accounting and bank records. OLC personnel also do not issue pre-numbered receipts slips or restrictively endorse checks or money orders immediately upon receipt.
Disbursements	The License Collector has not adequately segregated disbursement duties and there is not an independent or supervisory review of the process. The License Collector does not have formal policies and procedures in place to ensure disbursements are appropriate.
Business License Applications	OLC personnel do not perform a documented review of business license application information to verify accuracy.
Manufacturer Site Inspections	OLC personnel do not always perform documented site inspections of manufacturer assets to ensure accuracy of assets declared for tax purposes.
Capital Assets	OLC personnel have not performed a recent, documented physical inventory of capital assets.

In the areas audited, the overall performance of this entity was **Good**.\*

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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.



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**Recommendations in the audit of the City of St. Louis - Office of License Collector**

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Accounting Controls and  
Procedures

The Office of License Collector (OLC):

- 1.1 Establish procedures to routinely investigate outstanding items. Outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the money should be turned over to State Treasurer's Unclaimed Property Fund in accordance with state law. Additionally, the OLC should ensure monthly bank reconciliations are prepared timely and documented properly in accordance with policies, including preparing a monthly list of liabilities, and reconciling the list to the reconciled bank balance, and promptly investigating any differences identified.
- 1.2 Segregate accounting duties to the extent possible and ensure independent and/or supervisory reviews of detailed accounting and bank records are performed and documented.
- 1.3 Establish procedures to ensure all money received is properly receipted and recorded, including issuing pre-numbered receipt slips, restrictively endorsing all checks and money orders immediately upon receipt, ensuring the composition of receipts is reconciled to the composition of deposits by an independent person, and retaining deposit slips.

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Disbursements

The OLC:

- 2.1 Segregate disbursement duties to the extent possible and ensure independent and/or supervisory reviews are performed and documented.
- 2.2 Establish complete and detailed written credit card and disbursement policies and procedures.

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Business License Applications

The OLC develop procedures to verify the accuracy of information submitted on business license applications and ensure reviews are documented.

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Manufacturer Site Inspections

The OLC ensure all applicable manufacturers undergo annual site inspections as required.

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Capital Assets

The OLC ensure complete and accurate inventory records are maintained and annual documented physical inventories are conducted, establish procedures for tracking capital asset purchases and dispositions throughout the year, and ensure assets are properly tagged for identification.